



**MEMORANDUM OF UNDERSTANDING**

**between**

**THE CITY OF MONTEREY PARK, CALIFORNIA**

**and**

**THE MONTEREY PARK PROFESSIONAL CHIEF OFFICERS'  
ASSOCIATION**

**TWO-YEAR AGREEMENT: July 1, 2014 – June 30, 2016**

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and  
THE MONTEREY PARK PROFESSIONAL CHIEF OFFICERS' ASSOCIATION  
(Two-Year Agreement July 1, 2014 - June 30, 2016)

This Memorandum has been prepared in accordance with the California Government Code (Section 3500 et seq.). The City of Monterey Park, California, hereinafter referred to as the "City," and the Monterey Park Professional Chief Officers' Association, hereinafter referred to as the "Recognized Employee Organization," have reached this Memorandum of Understanding pursuant to meeting and conferring in good faith.

**ARTICLE 1 - SCOPE OF REPRESENTATION**

The scope of representation of the Recognized Employee Organization shall include matters relating to employment conditions and employer-employee relations including but not limited to wages, hours and other terms and conditions of employment.

The wages, hours and working conditions specified in this Memorandum shall constitute the wages, hours and working conditions for the term of this Agreement.

**ARTICLE 2 - RECOGNITION**

- A. The Monterey Park Professional Chief Officers' Association is hereby recognized as the exclusive Recognized Employee Organization for those employees occupying the job classifications of Fire Battalion Chief and Fire Marshal.
- B. The City acknowledges the Recognized Employee Organization as the representative for employees in the Fire Department for the purpose of meeting and conferring in good faith regarding wages, hours, and other terms and conditions of employment.

**ARTICLE 3 - CITY RESPONSIBILITIES AND RIGHTS**

To ensure that the City is able to carry out its statutory functions and responsibilities, the following matters will not be subject to the terms of this Memorandum, but shall be within the exclusive discretion of the City: to select and determine the number and types of employees required; to assign work to employees in accordance with the requirements determined by the City; to establish and change work schedules and assignments; to hire, transfer and to promote or to lay off employees for lack of work and for all other legitimate reasons; to suspend, discipline or discharge for just cause; to expand or diminish services; to subcontract any work or operations; to determine and change methods of operations; to determine and change, at its sole discretion, the number of locations, relocations and types of operations and the processes and materials to be employed.

**ARTICLE 4 - EMPLOYEE AND/OR EMPLOYER REPRESENTATIVES**

- A. During the life of this Memorandum, all employees as described above in Article 2, Section A, shall have the right to join the Recognized Employee Organization, or to refuse or refrain from joining said organization.

- B. Members of the Recognized Employee Organization may, by any reasonable method, select three (3) representatives who may or may not be City employees to meet and confer with the City Representative Committee or other management officials on subjects within the scope of representation during regular or working hours, without loss of time, provided:
1. That no employee representative shall leave duty or workstation or assignment without specific approval by any authorized departmental management official.
  2. That any such meeting is subject to scheduling by an authorized departmental management official so as to avoid interference with or interruption of assigned work scheduled or work performance.
- C. The City will deduct dues and initiation fees from those employees who voluntarily sign and have submitted to the City the necessary authorization card. Deductions as authorized by the employee shall be deducted from earned wages or salaries each pay period. The City shall forward to the Recognized Employee Organization during the succeeding week all dues and/or initiation fees deducted from the employees.
- D. The Recognized Employee Organization shall indemnify, defend, and hold the City harmless against any claim and any suit instituted by an employee against the City which shall arise out of any action which shall be taken by the City in accordance with the foregoing provisions as set forth in Section C above.
- E. The Recognized Employee Organization representatives, while on City property, shall abide by the City's safety rules and regulations.
- F. Such individuals, after being excused from their regular assigned duties by the Fire Chief or delegated representative, will be permitted to take reasonable time to discuss terms and conditions as set forth in this Memorandum.
- G. Said employee or employees, if on duty, shall be paid for such reasonable time by the City at the employee's regular rate of pay. However, no overtime will be paid by the City for time spent as set forth above, except if and when the employee is working a relief overtime shift.
- H. A written list of the Officers of the Recognized Employee Organization and the Employee Representatives shall be furnished to the City immediately after their designation and the Recognized Employee Organization shall notify the City promptly in writing of any changes of such Officers or Representative.

## **ARTICLE 5 - COMMUNICATIONS**

Space shall be provided on City bulletin boards for the posting of the following notices of immediate concern to the employee group members:

1. Recognized Employee Organization recreational and social activities.
2. Recognized Employee Organization election notices and results.
3. Recognized Employee Organization meetings and events.
4. Such other notices as may be mutually agreed upon by the Recognized Employee

**ARTICLE 6 - CONTINUED PERFORMANCE OF CITY SERVICES AND OPERATIONS**

- A. The Recognized Employee Organization hereby agrees that during the term of this Memorandum, the employees of the City, as set forth in Article II, Section A, the officers and/or agents of the Recognized Employee Organization shall not engage in, encourage, sanction, support, authorize or suggest any work stoppages, strikes, boycotts, slowdowns, mass resignation, mass absenteeism, picketing, or any other intentional interference of work of the City.
- B. In the event any employee, or employees, participate in any such activities as set forth above, the Recognized Employee Organization shall notify such employee or employees, so engaged to cease and desist from such activities and shall instruct said person, or persons, to return to their normal work assignment and duties.
- C. The employee, or employees, participating in such activities as set forth in paragraphs A and B above, shall be subject to disciplinary action by the City, including suspension or discharge in accordance with the City's Personnel Rules and Regulations.

**ARTICLE 7 - GRIEVANCE PROCEDURE**

A. **DEFINITIONS**

- 1. A "grievance" is an allegation by a member or recognized Employee Organization on behalf of specified unit members of the bargaining unit who have been adversely affected by an alleged violation of the specific provisions of this Memorandum of Understanding during its term, or an appeal of a disciplinary action decision by the City Manager
- 2. A "disciplinary appeal" is a formal written objection or challenge to any disciplinary action as defined by the Personnel Rules and Regulations. The grievance procedure shall not be utilized by an employee to contest the content of a performance evaluation, verbal or written reprimands or other documentation regarding the employee's work performance yet which is not defined as "disciplinary action" by Rule XV of the City Personnel Rules and Regulations. A "disciplinary appeal" shall be filed after written receipt of the City Manager's decision, and shall constitute the sole and exclusive process of appeal. Such appeals shall be processed at Level IV, Arbitration.

Discipline shall be imposed in such a manner as to not violate the FLSA as regards "exempt" employees.

- 3. Disputes regarding jurisdiction (grievable of an issue) shall not be subject to resolution by the grievance procedure and instead, are subject to resolution by the courts.
- 4. A "grievant" is any unit member or Recognized Employee Organization on behalf of specified unit members adversely affected by an alleged violation of the specific provisions of this Memorandum, or a punitive disciplinary action.
- 5. A "day" is any day in which the administrative offices of the City of Monterey Park are open for regularly scheduled business.

B. GENERAL PROVISIONS

1. Until final disposition of a grievance, the grievant shall comply with the directions of the grievant's immediate supervisor.
2. All documents dealing with the processing of a grievance shall be filed separately from the personnel files of the participants.
3. Time limits for appeal provided at any level of this procedure shall begin the first day following receipt of the written decision by the grievant and/or the Recognized Employee Organization. Failure of the grievant to adhere to the time deadlines shall mean that the grievant is satisfied with the previous decision and waives the right to further appeal. The grievant and the City may extend any time deadline by mutual agreement.
4. Every effort will be made to schedule meetings for the processing of grievances at times that will not interfere with the regular work schedule of the participants. If any grievance meeting or hearing must be scheduled during duty hours, any employee required by either party to participate as a witness or grievant in such meeting or hearing shall be released from regular duties without loss of pay for a reasonable amount of time.
5. Any unit member may at any time present grievances to the City and have such grievances adjusted without the intervention of the Recognized Employee Organization, as long as the adjustment is reached prior to arbitration and the adjustment is not inconsistent with the terms of this Memorandum: provided that the City shall not agree to a resolution of the grievance until the Recognized Employee Organization has received a copy of the grievance and the proposed resolution and has been given the opportunity to file a response within twenty (20) days. Upon request of the grievant, the grievant may be represented at any stage of the grievance procedure by a representative of the Recognized Employee Organization, which may include the attorney of the Recognized Employee Organization.
6. This grievance procedure shall be the sole and exclusive procedure for processing objections or challenges to disciplinary actions as defined in the Personnel Rules and Regulations and shall satisfy all administrative appeal rights and protections.
7. There shall be no reprisals against any Department employee for processing a grievance at any level, or for assisting a grievant in the processing of a grievance.

C. PROCEDURE - Grievances will be processed in accordance with the following procedures:

1. Level I - Informal Resolution

- a. Any unit member who believes he/she has a grievance which is an alleged violation of the specific provisions of this Memorandum of Understanding shall present the grievance orally to the Fire Chief within fifteen (15) days after the grievant knew, or reasonable should have know, of the circumstances which form the basis for the grievance. Failure to do so will render the grievance null and void. The Fire Chief shall hold discussions and attempt to resolve the matter within ten (10) days after the

presentation of the grievance. It is the intent of this informal meeting that at least one personal conference be held between the aggrieved employee and the Fire Chief.

2. Level II - Formal Written Grievance

- a. If the grievance is not settled during the informal conference and the grievant wishes to press the matter, the grievant shall present the grievance in writing on the appropriate form to the Fire Chief within ten (10) days after conclusion of Level I. The written information shall include: (a) A description of the specific grounds of the grievance, including names, dates, and places necessary for a complete understanding of the grievance; (b) A listing of the provisions of this agreement which are alleged to have been violated; (c) A listing of the reasons why the Level I proposed resolution of the problem is unacceptable; and (d) A listing of specific actions requested of the City which will remedy the grievance.
- b. The Fire Chief or designated representative shall communicate his/her decision, in writing, to the grievant within ten (10) days after receiving the grievance.
- c. Within the above time limits, either party may request a personal conference.

3. Level III - Appeal to the City Manager

- a. If the grievant is not satisfied with the decision at Level II the grievant may, within ten (10) days of the receipt of the decision at Level II, appeal the decision to the City Manager. This statement shall include a copy of the original grievance and appeal, and a clear, concise statement of the reasons for the appeal.
- b. The City Manager shall communicate the decision, in writing, to the grievant within ten (10) days. If the City Manager does not respond within the time limits provided, the grievant may appeal to the next level.

4. Level IV - Binding Arbitration

- a. If the grievant is not satisfied with the decision at Level III, or if an employee wishes to appeal the disciplinary decision of the City Manager, the grievant/employee may, within ten (10) days of the receipt of the decision, submit a request in writing to the Recognized Employee Organization for arbitration of the dispute. Within twenty (20) days of the grievant's receipt of the decision at Level III, the Recognized Employee Organization shall inform the City, in writing, of its intent to arbitrate. The Recognized Employee Organization and the City shall attempt to agree upon an arbitrator. If no agreement can be reached, they shall request that the State Mediation and Conciliation Service supply a panel of seven (7) names of persons experienced in hearing grievances in cities.

Each party shall alternately strike a name until only one remains. The remaining panel member shall be the arbitrator. The order of the striking shall be determined by lot.

- b. The arbitrator shall, within thirty (30) days unless both parties agree otherwise,



hear evidence and render a decision on the issue or issues submitted to him/her. If the parties cannot agree upon a submission agreement, the arbitrator shall determine the issues by referring to the written grievance and the answers thereto at each step.

- c. The City and the Recognized Employee Organization agree that the jurisdiction and authority of the arbitrator so selected and the opinions the arbitrator expresses will be confined exclusively to the interpretation of the express provision or provisions of this Agreement at issue between the parties. The arbitrator shall have no authority to add to, subtract from, alter, amend, or modify any provisions of this Agreement or the written ordinances, resolutions, rules, regulations and procedures of the City, nor shall he/she impose any limitations or obligations not specifically provided for under the terms of this Agreement. The arbitrator shall be without powers or authority to make any decision that requires the City or management to do an act prohibited by law.
- d. In the event that this grievance procedure is used to challenge disciplinary actions, the arbitrator shall prepare a written decision containing findings of fact, determination of issues, and statement of the precise disciplinary penalty, if any.
- e. After a hearing and after both parties have had an opportunity to make written arguments, the arbitrator shall submit in writing to all parties his/her findings and award.
- f. The award of the arbitrator shall be final and binding within sixty (60) days of submission. During this sixty (60) day period either party may request in writing a clarification of the decision. A copy of such request must be provided to the other party simultaneously with the sending of the request to the arbitrator.
- g. The fees and expenses of the arbitrator(s) shall be shared equally by the City and the Recognized Employee Organization. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other. Either party may request a certified court reporter to record the entire arbitration hearing. The cost of the services of such court reporter shall be shared equally by the parties; however, the party ordering a transcript shall be responsible for the entire transcription fee.
- h. By filing a grievance and processing it beyond Level III, the grievant expressly waives any right to statutory remedies or to the exercise of any legal process other than as provided by this grievance/arbitration procedure. The processing of a grievance beyond Level III shall constitute an express election on the part of the grievant that the grievance/arbitration procedure is the chosen forum for resolving the issues contained in the grievance, and that the grievant will not resort to any other forum or procedure for resolution or review of the issues. The parties do not intend by the provisions of this paragraph to preclude the enforcement of any arbitration award in any court of competent jurisdiction.

## ARTICLE 8 - VACATION AND HOLIDAYS

### PREAMBLE

It is the intent and purpose of this vacation and holiday leave policy that all employees avail themselves of accrued vacation and holiday time in order to promote a safe and productive working environment. However, the parties do recognize that personal circumstances and/or the staffing requirements of the Fire Department may periodically impact the ability of an employee to utilize any or all of his/her annual vacation and holiday accrual.

### A. VACATION PROGRAM

1. It is the policy of the City that no employee may accrue greater than 432 vacation hours. Upon accrual of 432 hours, no unit member shall accrue any additional vacation hours nor be compensated for any vacation hours in excess of 432 hours unless and until utilization of accrued vacation time results in the employee's vacation account totaling less than 432 hours.

In those instances where an employee has accumulated vacation hours on or before March 10, 1995, the employee shall be subject to two (2) separate vacation banks. The first vacation bank (Bank No. 1) shall consist of the total number of vacation hours accrued on or before March 10, 1995. The number of vacation hours contained within Bank No. 1 shall not increase.

At the sole discretion of the Fire Chief, special consideration may be given to an employee's written request to accumulate vacation credits in excess of the maximum allowable vacation balance of 432 hours. Said approved credits will be converted to Bank No. 1.

2. Sworn Fire Members Assigned to Twenty-four Hour Shift Work: Employees covered under this Memorandum, with the exception of temporary appointments, shall accumulate vacation with pay as follows:

<u>Years of Service</u>	<u>Number of Shifts Allowed</u>	<u>Years of Service</u>	<u>Number of Shifts Allowed</u>
1	6 shifts	11	9 shifts
2	6 shifts	12	9 shifts
3	6 shifts	13	9 shifts
4	6 shifts	14	10 shifts
5	6 shifts	15	10 shifts
6	6 shifts	16	11 shifts
7	6 shifts	17	11 shifts
8	7 shifts	18	12 shifts
9	7 shifts	19	12 shifts
10	9 shifts	20	13 shifts

3. Sworn Fire Members Assigned to a Forty-Hour Week: An employee covered under this memorandum, who is required to work a forty-hour workweek, with the exception of

temporary appointments, shall accumulate vacation with pay as follows:

After one (1) year of paid service, vacation leave with pay shall be granted each permanent employee at the rate of eighty (80) hours each year. Additional vacation leave with pay shall be granted at the rate of eight (8) hours each year, beginning with the employee's sixth (6th) anniversary. Maximum vacation per year is one hundred-ninety two (192) hours.

4. Sworn Fire members assigned to a twenty-four hour shift may, annually during any fiscal year, elect to cash out up to 6 shifts (144 hours) of vacation time. The effective date(s) of any such cash-out is to be determined by the employee.

Sworn Fire members assigned to a forty-hour workweek may, annually during any fiscal year, elect to cash out up to seventy-two (72) hours of vacation time. The effective date(s) of any such cash-out is to be determined by the employee.

## B. HOLIDAYS

Except as modified herein, holidays shall be governed as defined in Rule XI, Attendance and Leaves, Section 7, Holidays, of the Personnel System Rules and Regulations of the City of Monterey Park.

1. It is the policy of the City that no twenty-four hour shift employee may accrue greater than eight (8) shifts (192 holiday hours) and no forty-hour per week employee may accrue greater than thirty-two hours. After March 10, 1995, upon accrual of 192 hours (or 32 hours for 40 hour employee) no unit member shall accrue any additional holiday hours nor be compensated for any holiday hours in excess of 192 (or 32 as appropriate) hours unless and until utilization of accrued holiday time results in the employee's holiday account totaling less than 192/32 hours.

In those instances where an employee has accumulated 192/32 or more holiday hours on or before March 10, 1995, the employee shall be subject to two (2) separate holiday banks. Holiday Bank No. 1 shall consist of the total number of holiday hours accrued on or before March 10, 1995. The number of holiday hours contained within Holiday Bank No. 1 shall not increase, except as in accordance with Section B1, Paragraph 4 of this Article.

At the sole discretion of the Fire Chief, special consideration may be given to an employee's written request to accumulate holiday credit in excess of the maximum allowable holiday balance of 192/32 hours. Said approved credits will be converted to Bank No. 1.

Concurrent with creation of Holiday Bank No. 1 above, there shall be created a second holiday bank (Holiday Bank No. 2) that shall have a balance of zero (0) at its inception. Holiday hours accumulated shall be deposited in Holiday Bank No. 2 but, as indicated above, in no case shall said accumulation exceed 192 hours (thirty-two (32) hours for forty (40) hour positions). If Holiday Bank No. 2 should equal 192 hours (32 hours for 40 hour position), then no holiday hours or said employee shall earn cash equivalency until the balance in Bank No. 2 is less than 192 hours (32 hours). Municipal offices, except Police and Fire Department facilities, shall be closed on the holidays indicated below. Forty (40) hour shift personnel shall observe these Holidays.

New Year's Day	Thanksgiving Day
Washington's Birthday	Friday After Thanksgiving Day
Memorial Day	Christmas Eve Day
Independence Day	Christmas Day
Labor Day	New Year's Eve Day
Veteran's Day	

In addition, employees assigned to a forty-hour workweek shall receive two floating holidays to replace Admission's Day and Columbus Day. All other holidays will be observed pursuant to the provisions of Personnel Rule XI.

Employees of the Fire Department, who are required to be on duty for 24-hour periods, do not receive holidays directly. Fire shift personnel so scheduled will be provided with six 24-hour shifts off with pay each year in lieu of a schedule of specific holidays.

2. Commencing June 28, 1998, any and all holiday banks for twenty-four hour shift personnel, in existence at the time shall be frozen at their existing accrual levels and all rules and regulations governing the use of said holiday banks shall be maintained. However, holiday credits shall no longer be accrued. Instead, employees shall be paid the cash value of 144 holiday hours for those assigned to twenty-four hour shifts. Twenty-four hour shift personnel shall be paid for holidays at the rate of 12 hours per month, regardless of whether or not a holiday occurred during said month. The twelve (12) hours of compensation shall be distributed during the first pay period of each month.

C. APPROVAL TO USE VACATION AND HOLIDAY TIME REMAINING IN HOLIDAY BANKS

Subject to the exceptions described herein, upon service on the Fire Department administration of a written request thirty (30) calendar days in advance of any such requested date(s) to utilize specified dates(s) of vacation and/or holiday time, Fire Department administration shall grant the leave request. However, Fire Department administration shall be authorized to deny any or all leave requests upon a written determination made by the Fire Chief and/or his designee that the granting of such leave request would or might disrupt the operations of the Department. However, it is specifically acknowledged that the fact that overtime expenses will or may be incurred as a result of the granting of leave utilization when thirty (30) calendar days advanced notice is provided as described herein, shall not constitute a consideration in the administration's determination that granting of the leave will or may disrupt operations of the Department.

In any case where the affected employee provides less than thirty (30) calendar days written notice to Fire Department administration of the employee's request to utilize earned vacation and/or holiday time, then Fire Department administration shall have the authority and discretion for any reason (including but not limited to real or potential overtime impact, real or potential disruption to the operations of the Department, or real or potential safety impact) to deny the vacation and/or holiday leave request. Fire Department administration's exercise of its discretion in this regard shall not be subject to administrative, civil or any other review or challenge.

Additionally, granting of any request to utilize earned vacation and/or holiday time shall be subject to the proviso that in no case shall more than one Battalion Chief be authorized to utilize said leave during all or part of the same shift dates(s). Where requests to utilize said leave exceeds the per shift classification number described in this paragraph, then the request filed earliest shall have priority. In cases where requests are filed simultaneously, priority shall be given to the most senior (in total City service) applicant.

## **ARTICLE 9 - SICK LEAVE**

### **SICK LEAVE REIMBURSEMENT PLAN**

The following sick leave reimbursement plan shall be implemented:

- A. Upon service retirement of an employee, the City will pay to the employee an amount equal to 50% of the individual employee's accumulated sick leave account. Payment to be made at the employee's current rate of pay.
  - 1. On July 1, 2012, any existing sick leave balance in the employee's MOU Section 12 account shall be placed in a separate leave bank and the amount of that bank shall not be increased nor added to. The hours in the bank shall be subject to the reimbursement provisions described above as being in MOU Section 9A. The employee shall be allowed to utilize this sick leave bank balance to fund future illnesses/sick leave. However, the employee shall not be required to utilize this sick leave account unless or until the employee elects to do so. For example if an employee had 1,000 hours of sick leave in this account and retired for service, the employee would be provided 50% cash out upon service retirement. Accordingly, the employee has the option of utilizing the following newly created 800 hour sick leave account before utilizing this frozen account.
  - 2. Commencing on July 1, 2012, sick leave earned by bargaining unit members shall be deposited into a second sick leave account which shall be capped at a maximum of 800 hours. Upon having 800 hours in the second sick leave account there shall be no further accrual of sick leave unless or until use results in a balance of less than 800 hours. Effective one month after the City Council approves the 2014-2016 MOU, employees, who retire from the city with more than 10 total years of city service, beginning from the date of employment, shall be eligible to cash out sick leave in the "second" sick leave account at the rate of 14 hours for each one full year (12 months) of city service. City service, for the purposes of determining hours eligible for cash out, shall be calculated beginning July 1, 2012.

Prior to implementation of the 2014-2016 MOU, each employee's sick leave account would be debited by sixteen (16) hours and the employee would be compensated in full

for the 24 hour shift from which the employee was absent.

Concurrent with implementation of this 2014-2016 MOU, the above calculation shall be modified to provide for each employee earning twelve (12) hours of sick leave per month and having the employee's sick leave account debited one hour for each hour of a shift from which the employee is absent. Thus, absence from an entire shift shall result in the employee's sick leave account being debited 24 hours.

In order to compensate for the pre-2014-2016 MOU sick leave Bank 1 being debited on and after 2014-2016 in the amount of one (1) hour for each hour of sick leave used, and the concurrent 2014-2016 MOU decreasing service and disability retirement cash distribution from 50% pre-2014-2016 to 33.34% on and after 2011-2012, the following calculation shall be performed as to the sick leave Bank 1 only, upon a service or disability retirement:

- a. The sick leave balance in Bank 1 at the time of implementing the 2014-2016 MOU shall be divided by 16 to determine the number of fully compensable shifts represented by the sick leave balance. (For example, 500 sick leave hours divided by 16 – the number of pre-2014-2016 hours necessary to fund a full shift – equals 31.25 funded full shifts.
  - b. Since effective 2014-2016, it will require 24 hours of sick leave to fund a full shift, the exemplar of 31.25 previously funded shifts shall be multiplied by 24 hours, the number of hours needed on and after 2014-2016 to fully fund 31.25 shifts. This shall result in sick leave Bank 1 having 750 hours.
  - c. A service or disability retirement shall then result in a 33.34% distribution which equals 250 compensable hours.
3. In addition, the City contracts with CalPERS for the Credit for Unused Sick Leave option (Section 20965). Any amount of sick leave accrual not taken as cash payment will be reported to CalPERS for calculation as additional service credit.
  4. Upon death of an employee prior to retirement, the City will pay to the employee's designated beneficiary the employee's accumulated sick leave accrual in an amount consistent with the above retirement-related pay-out schedules as separately set forth in A(1) and A(2) above.

#### **ARTICLE 10 - BEREAVEMENT LEAVE**

- A. Each regular employee may be granted bereavement leave at the discretion of the Fire Chief whenever death occurs to a member of the employee's immediate family. Bereavement leave may not exceed three working days, or in the case of Fire personnel working a 24-hour shifts schedule, three shifts. However, if travel outside the State of California, or within the State of California but extending beyond a distance of 300 miles from Monterey Park is necessary, bereavement leave may be extended to a total of five working days, or in the case of Fire personnel working a 24 hour shift schedule, five shifts. Bereavement Leave shall be charged to a separate, paid leave account.

- B. Immediate family, for the purpose of bereavement leave, shall include: spouse, father, father-in-law, mother, mother-in-law, child, stepchild, grandparents, grandchildren, brother, brother-in-law, sister or sister-in-law of the employee.

#### **ARTICLE 11 - EMERGENCY AND FAMILY SICK LEAVE**

An employee covered by this Agreement may be granted emergency sick leave or family sick leave at the discretion of the Fire Chief whenever serious illness or other illness occurs to a member of the employee's immediate family.

Emergency and family sick leave will be charged to sick leave rather than vacation.

Immediate family, for the purpose of emergency or family sick leave, shall include: spouse, father, father-in-law, mother, mother-in-law, child, stepchild, grandparents, grandchildren, brother or sister of the employee.

Serious illness, for the purpose of emergency sick leave, shall be defined as an emergency situation, in that the family member -- injured or ill -- requires hospitalization and/or immediate medical attention and treatment by a physician. The employee is expected to make suitable arrangements for the care of the injured or ill family member as soon as practicable following the actual emergency.

Family illness shall be defined as a situation that requires an employee to take care of a family member who is ill or has a scheduled appointment with a health care professional.

Should the need for family leave under the terms of this Article exceed five (5) working days per occurrence, the employee shall make application for leave under authority of the Family and Medical Leave Act (FMLA) and any continued approval for leave shall be governed by provisions contained therein.

In order to receive compensation while absent on family or emergency sick leave, the employee shall obtain prior verbal approval from the Fire Chief or his/her authorized representative.

#### **ARTICLE 12 - MILITARY LEAVE**

Military Leave of Absence shall be granted in accordance with provisions of the City of Monterey Park's Personnel System Rules and Regulations, Administrative Policy 30-14 and as defined in Section 395 et. seq., of the Military and Veteran's Code of the State of California.

#### **ARTICLE 13 - JURY DUTY**

An employee of the City who is required to participate as a juror, required to participate in the jury selection process, or required to appear in court as a witness except as the litigant in the case, shall be paid up to and including ten (10) days of salary and benefits during each fiscal year while engaged in such activities. Compensation shall extend beyond ten (10) days only upon provision to the City of a certified court document showing that trial counsel and/or the court estimated the trial for which an employee has been selected as a juror, was to have been ten (10) days or less in duration.

Under such circumstances, the employee shall receive his/her regular salary while on such leave, provided that the employee remits to the City any payments or fees received as a juror or witness. The

employee shall be allowed leave with pay during the period of such service. Where the employee is receiving his/her salary, any court or State jury fees, exclusive of mileage reimbursement, shall be remitted to the City by the employee.

#### **ARTICLE 14 - LEAVE OF ABSENCE**

As defined in Rule XI, Attendance and Leaves, Section 4, Leave of Absence, of the Personnel System Rules and Regulations of the City of Monterey Park.

- A. When an employee maintains a non-paid employment status, the City shall make no premium or other contribution to insurance coverage except as may be required by provisions of the FMLA and/or CFRA. The employee may be required to deposit any and all insurance premiums with the City for remittance by the City to the carrier or to the carrier directly.
- B. Subject to the requirements of the FMLA and CFRA, a leave of absence without pay shall not exceed the cumulative total of 180 calendar days during the entire term of an individual's employment, and any such leave of absence without pay shall be preceded by exhaustion of all accrued paid leave of absence. Absence without pay for a period greater than 50% of a pay period shall result in no leave benefits or seniority accrual for said period of time.

#### **ARTICLE 15 - ADMINISTRATIVE LEAVE**

- A. Represented FLSA exempt employees covered under this MOU shall receive 56 hours of Administrative Leave each July 1.
- B. The times during the fiscal year at which an employee may take his/her administrative leave shall be determined by the Fire Chief with due regard for the wishes of the employee and the needs of the service. Eligibility for this leave shall not be predicated upon first having all vacation and sick leave exhausted. Administrative leave may be utilized at any time during the fiscal year.
- C. Employees requesting to utilize his/her administrative leave shall complete a Leave of Absence Request form and forward the approved form to payroll.

#### **ARTICLE 16 - UNIFORMS**

- A. Uniforms Provided
  - 1. Effective one month after the City Council approves the new 2014-2016 MOU; the uniform allowance shall be seven hundred dollars (\$700.00). The City shall continue its credit/retail account program with a retail outlet to be determined by the City. Due to the CalPERS monthly reporting requirement change, the uniform allowance benefit amount will be reported 1/12<sup>th</sup> per month to CalPERS and the City and employee shall be debited their respective CalPERS contributions. The employee will be required to use the approved City vendor for the purchases of their indentified uniform apparel. The uniform apparel that this uniform allowance represents the following apparel: two black Nomex shirts, two black Nomex pants, two ties, one belt with buckle, one pair of shoes, and either a work jacket or sweater.
  - 2. Upon appointment to a position in this unit, an employee shall receive an initial issue of



the following items: one dress jacket, one reconditioned hat, one name tag, year pins, two sets of collar insignias, two black Nomex shirts, two black Nomex pants, two ties, one belt, one work jacket or sweater, and one pair of shoes.

3. The following items will be provided on an "as needed" replacement basis only: dress uniform, hat, nametags, year pins, and collar insignias, upon prior approval of the Fire Chief.
4. No employee will be eligible to receive the annual uniform allotment if such employee has for any reason been absent from active uniformed service for any time in excess of one-half of the fiscal year immediately preceding the allocation. Uniform allotment shall be provided on a prorated basis for those employees.

B. Safety Gear

The City shall provide and maintain safety items as mandated by CAL/OSHA through procedures established by the City. Included are the following items:

- |                                       |   |
|---------------------------------------|---|
| 1. Turn-out boots, trousers, and coat | 5. Safety shoes                           |
| 2. Gloves and goggles                 | 6. Flashlights                            |
| 3. Helmet                             | 7. Breathing apparatus                    |
| 4. Brush jacket                       | 8. Infectious disease protective clothing |

- C. Any employee who negligently damages or loses any provided equipment or uniforms shall be subject to disciplinary action.
- D. The City shall enter into a bulk-cleaning contract with a vendor(s) to be selected solely at the discretion of the City.

**ARTICLE 17 - HEALTH INSURANCE**

- A. Effective one month after the City Council approves the 2014-2016 PCOA MOU, the flexible benefit plan as described in Resolution No. 9375 including Exhibit(s) A of said Resolution for active employees shall no longer be referenced or in effect going forward
- B. Effective one month after the City Council approves the 2014-2016 MOU's, the City agrees to pay a maximum monthly amount up to one thousand and one hundred dollars (\$1,100.00) and effective July 1, 2015, one thousand one hundred and fifty dollars (\$1,150.00) towards the medical insurance premium to each eligible employee inclusive of the employees eligible dependents who select any City offered health insurance plan. The employee will pay any and all premiums due in excess of the maximum amounts set forth above.

The City shall provide a \$300.00 payment per month for an active employee who waives City-paid medical coverage and provides proof that they are enrolled as a dependent on a non-City employee's health insurance plan. Enrollment onto, and withdrawal from, City-paid medical coverage is subject to the medical provider's policies.

Resolution 9375, a resolution for the establishment of a flexible benefit plan for sworn firefighters adopted by the Monterey Park City Council in 1989, is no longer in effect or

applicable for members of the PCOA bargaining unit.

- C. For active employees, the City shall contribute up to \$ \$65 per month towards the City's group dental plans and effective July 1, 2015, \$75 towards the City's group dental plan. The employee will pay any and all premiums due in excess of the above amounts. If an employee is currently not enrolled in the City's Dental Plan, the employee may enroll during the City open enrollment period in October of each year. The first date the employee will be eligible for the above stated monthly coverage amounts will begin on January 1<sup>st</sup> of the following year.
- D. Represented active employees and dependants shall be eligible for the City's vision insurance plan. City contribution shall be no more than \$20 per month. The plan design shall be: Examination every 12 months, Frames and Lenses every 24 months. Deductible shall be \$10.00/exam, \$20.00/frame and lenses.
- E. Life Insurance - Effective one month after the City Council approves the 2014-2016 MOU's, the amount of life insurance provided active employees covered by this Agreement shall be \$100,000.
- F. Supplemental Life Insurance may be purchased by each active employee in \$10,000 increments with a maximum face value of \$300,000, or three times (3X) the individual's gross salary, whichever is less (Employees who currently have supplemental insurance, shall be required to add or delete such supplemental coverage so as to reflect \$10,000 increments). Any premium cost for supplemental insurance shall be borne by the employee.
- G. Long Term Disability: City paid premium for LTD as provided other management employees of the City.
- H. During the term of this MOU, the City shall continue to pay a maximum monthly amount up to \$550.00 towards the medical insurance premium for a retiree who retired with 20 or more years of service and their eligible dependents. The City contribution for retirees who retired with less than 20 years service will remain at \$386.00 per month. The retiree will pay the difference between the City contribution and the total premium for the medical plan selected by the retiree.

Ending Retiree Medical Insurance and Health Insurance Re-Opener: Employees hired on and after July 1, 2015 shall be ineligible to participate in the city-funded retiree medical insurance program.

For bargaining unit members hired on and after July 1, 2015, the parties agree to establish an alternative, employee-funded retiree medical insurance funding mechanism, pursuant to IRS Code 501 (c)(9), also known as a Trust 115, or other similar program, to provide for post-employment medical coverage for eligible employees. Both parties agree to a re-opener and to meet and confer to discuss the formation of such alternative, employee-funded retiree medical insurance funding plan. This re-opener will occur after January 1, 2015.

- I. At Medicare eligible age, if a retiree is eligible for Medicare Part A at no cost, that retiree shall make application for any and all Medicare benefits available to them including but not limited to Medicare supplemental coverage but only to the extent that such supplemental coverage is at no cost.

## **ARTICLE 18 - EDUCATIONAL ENROLLMENT COST REIMBURSEMENT**

Effective July 1, 2012 educational costs shall be limited to two thousand dollars (\$2,000) annually per unit member for eligible reimbursement expenses as defined within this Article.

The City agrees to reimburse employees for the cost of enrolling in college-level courses provided through an accredited institution, directly related to their employment, or compatible with a career goal with the City. No reimbursement shall be authorized for pursuit of an academic degree beyond a Masters nor shall reimbursement of tuition or other costs be approved for a course of study at institutions that grant credit for "life experience" in-lieu of completion of specified course material.

Enrollment cost reimbursement will be paid according to the following schedule:

1. If tuition or fees are equal to or less than current California State University fees, the City will pay 100% of the tuition fees.
2. If tuition or fees exceed California State University fees, the City will pay an amount equal to 100% of the California State University fees.

Enrollment cost reimbursement is subject to approval by both the Fire Chief and Director of Human Resources/Risk Management. In rendering a reimbursement determination, the Fire Chief and Director of Human Resources/Risk Management shall consider whether or not the course(s) for which reimbursement is sought is related to the employee's then existing principal duties and the availability of funds for reimbursement purposes. No employee shall be entitled to reimbursement unless pre-course enrollment written authorization for reimbursement is received from the Fire Chief and Director of Human Resources/Risk Management. The reimbursement eligibility determinations described herein are not subject to any administrative or judicial appeal procedure and the decision of the Fire Chief and Director of Human Resources/Risk Management shall be final.

An employee will be reimbursed up to seven-five dollars (\$75.00) for books each semester or equivalent if he/she is enrolled in six (6) or less units; an employee will be reimbursed up to two-hundred (\$200.00) for books each semester or equivalent, providing he/she is enrolled in seven (7) or more units. Reimbursement shall only be for books required for the course. All requests for reimbursement shall be accompanied by valid receipts.

## **ARTICLE 19 - EDUCATIONAL INCENTIVE PAY**

A. The City agrees to an Educational Pay Plan that provides compensation as follows:

1. Either:
  - a. \$135.00 additional salary per month for an employee with an Associate of Arts degree, or
  - b. \$275.00 additional salary per month for an employee with a Bachelor's degree in a major reasonable related to the employee's work or consistent with a career objective with the City, or
  - c. \$325.00 additional salary per month for an employee with a Master's degree in a major reasonable related to the employee's work or consistent with a career objective with the City.

- B. In addition, possession of a Company Officer Certification shall allow an employee to be compensated at \$60 per month. Possession of a Chief Officer certification shall allow an employee to be compensated at \$120 per month. Only certification issued by the California State Fire Marshal's Office shall be accepted. These certifications are not cumulative compensation.

## **ARTICLE 20 - TRAVEL REIMBURSEMENT**

Mileage is reimbursed for travel in connection with City business. Prior approval must be obtained from the immediate supervisor or Fire Chief. Mileage forms are available in the department and, if travel is required frequently during a month, reimbursement will be made once each month. Completed mileage forms shall be submitted to the Fire Chief.

## **ARTICLE 21 - RETIREMENT BENEFITS**

- A. Retirement benefits as provided in contract dated November 1, 1952, with the Public Employees' Retirement System and amended as follows:

1. The 2% @ 50 Retirement Plan and single highest year.
2. The 1959 Survivor's Benefit.
3. The Post Retirement Survivor Continuance Benefit.
4. Effective March 15, 1994, the City shall pay up to a maximum of nine (9%) percent of the Employees' contribution to the PERS Plan. All such contributions shall be deposited in the member's retirement account.
5. Level 4 Survivor Benefit
6. Section 21024/Military Service Credit as Public Service
7. Section 21364.1, 3% @ 55 retirement formula

- B. Effective July 30, 2012 all employees shall commence payment of their 9% of compensation earnable employee contribution to CalPERS.

1. Employees who are 'New Members' as defined by the California Public Employees' Pension Reform Act of 2013 (PEPRA) (e.g., an employee hired on or after 1/1/2013 who has never been a CalPERS member or member of a reciprocal system or who has had a break in CalPERS service of at least 6 months or more) will constitute a second tier and be subject to all the applicable PEPRA provisions, which include but are not limited to the following retirement benefits:

Tier 1: Classic members will have the retirement formula that existed with the City on December 31, 2012, 3%@55, single highest year final compensation.

Tier 2: "New Members" will have the retirement formula 2.7%@57, three year average, final compensation including the employee EMPC contribution of 12%.

## **ARTICLE 22 - SALARIES AND WAGES**

### **SALARY RANGES**

Effective Date: Next payroll cycle after the City Council approves the 2014-2016 MOU:

3% cash lump sum payment based on 12 months employment and compensation with the city and

calculated according to the classifications base salary schedule.

Pay Period: July 2014-June 2015

This one time lump sum payment is intended for association members who work the entire 2014-2015 fiscal year. If a member of the association leaves Monterey Park employment to go to another agency or is terminated for disciplinary reasons, that association member shall pay back to the city a pro-rated share of this lump sum payment and this amount shall be deducted from the employees' last paycheck with the city. (i.e., if an association member leaves city employment for another agency 9 months into the fiscal year, that employee will owe back to the city 3 months or 25% of this lump sum payment to be deducted from their last paycheck)

Effective Date: Dec 12, 2015

Pay Period: July 2015-Jun 2016

As of January 1, 2016 and effective the first pay period following January 1, 2016, represented members shall be entitled to a retroactive 1.5% cash payment representing the first six months of the 2014-2015 fiscal, back to July 1, 2015 (calculated according to the member's annual base salary as set forth in the City's Salary Schedule). Also, as of January 1, 2016 and effective the first pay period following January 1, 2016, represented members shall be entitled to a 3% pay increase (calculated according to the member's base salary as set forth in the City's Salary Schedule). Payment of this retroactive payment and salary increase is expressly conditioned upon the following terms and conditions and shall not be implemented if either of the terms and conditions set forth below are not satisfied.

The Permit and Impact Fee Condition. The City must receive \$700,000.00 or more in building permit and impact fees from any combination of five major projects that are identified in Addendum B and which are described as the AG Hotel, the Marriott Hotel, the Double Tree Hotel, the Market Place – Home Depot and the Towne Center. The City must receive \$700,000.00 or more in building permit and impact fees from any combination of these five major projects on or before December 15, 2015. The projected building and impact permit fees that the City is expected to receive for each of the five projects is set forth in Addendum B and shall be referred to as the "Base Building Permit and Impact Fee" for each respective project. In the event the City Council approves a reduction of the "Base Building Permit and Impact Fee" for any of the five major projects, the City will calculate the percentage by which the "Base Building Permit and Impact Fee" was reduced. The single greatest percentage reduction, if any, for any of the five major projects shall then be applied to the \$700,000.00 "trigger". For example, if the Council approves a reduction of the "Base Building Permit and Impact Fee" for four of the projects by 5% and approves a reduction of the "Base Building Permit and Impact Fee" of the fifth project by 10%, a 10% reduction shall be applied to the \$700,000.00 permit fee trigger, thus reducing the permit fee trigger to \$630,000.00.

The Safety Net Condition. The combined negative variance (revenues are less than budget projections and/or expenditures exceed budget authorization) to the General Fund shall not exceed \$450,000.00 during the fiscal year 2014-2015. Revenue measurement shall exclude one-time receivables such as state repayments, residual distributions and revenues from permit fees. Expenditures shall exclude capital improvements, transfers out and expenses related to the above base building permit and impact fees. All other expenditures, such as, a reduction in revenue and/or an increase in expenditures due to state or federal action, natural disaster, liabilities, or other expenditures, shall be included in this calculation.

The retroactive 3% wage increase referenced above is expressly conditioned upon both the Permit Fee

Condition and the Safety Net condition being met. If either or both conditions are not met, the City shall have no obligation to provide the 3% wage increase. However, in the event one or both conditions are not met, and absent any contrary action by the Council, a 3% lump sum payment (calculated according to the member's annual base salary as set forth in the City's Salary Schedule) shall be provided to all members for the 2015/16 fiscal year. This 3% lump sum payment shall be paid on the first payroll in February 2016.

Longevity: Effective July 1, 2014, upon the completion of 28 years of continuous service with the City of Monterey Park an employee shall be compensated a \$200 a month longevity payment. This payment will be based on a fiscal year and payable on the first payroll cycle after July 1<sup>st</sup> of the new fiscal year. This payment will continue until there is a break of service or a separation of service between the city and the employee.

A. Advancement within the 10-step salary range shall be subject to the terms and conditions as set forth herein:

1. Except as modified herein, all other existing rules governing salaries step increases and performance ratings shall remain as provided for in Municipal Code Chapter 2.36.050 - Step Increase and 2.36.060 - Performance rating system for employees.
2. Municipal Code Section 2.36.050 (6), Step Increase, based upon prior practices, shall be interpreted as follows: Any employee receiving an unsatisfactory rating report under the performance rating system set forth in Section 2.36.060 shall be rated once each calendar month thereafter.

The receipt by any employee of three consecutive unsatisfactory performance ratings shall be grounds for disciplinary action up to and including dismissal.

3. Advancement between steps may occur at intervals of no less than one year. Recommendations for step increases or denial of step increases must be accompanied by a performance evaluation to substantiate performance. No multiple step increases may be granted. Performance evaluations and consideration of merit adjustments shall be due annually on the employee's anniversary of the probationary appointment to his/her position classification. Nothing in this Article shall prevent a supervisor from exercising management rights to suspend, reduce, demote, layoff, or terminate for cause an employee in accordance with City Personnel Rule XIII - Changes in Employment Status, or Rule XIV - Separation from the Service, or Rule XV - Disciplinary Proceedings.
4. Advancement from step 1 through step 5 shall be contingent upon receiving "meets standards" performance evaluations or better. Advancement above step 5 and through step 9 shall be contingent upon receiving "exceeds standards" performance evaluations or better.
5. Advancement to step 10 is both temporary and conditional upon achieving "outstanding" performance as determined by rules set forth by the City Manager. Sustained placement at step 10 of the range is not guaranteed, but must be earned on an annual basis. Failure to achieve "outstanding" performance ratings in a succeeding year shall result in the employee's salary being returned to step 9.

B. Premium Pay

1. EMT-D Premium Pay. Following Department of Health Services approval of the Fire Department's AED program, individuals who are in possession of valid certification as Emergency Medical Technician – Defibrillator (EMT-D) shall receive \$200.00 per month premium pay. Individuals holding an EMT-P (Paramedic) certification are not eligible for premium pay under this section

**ARTICLE 23 - WORK SCHEDULE**

The basic work schedule for employees assigned to Fire Suppression is a 56 hour week, made effective January 1, 1976, and on a schedule commonly referred to as a "nine day cycle," which amounts to an average of 122 work shifts (24 hour) per year. This article is intended to be an exception to Article III. The basic work schedule for employees assigned to Fire Prevention is forty (40) hours per week.

**ARTICLE 24 - ACTING/TEMPORARY ASSIGNMENTS**

- A. Employees assigned in an acting or temporary capacity to work in a position/class having a higher rank or salary range shall be assigned pursuant to the following provisions:
1. Employees must be certified by the City Manager or Fire Chief to work in an acting/temporary assignment capacity in said position/class. Certification for acting and/or temporary assignments shall be at the sole discretion of the City Manager or Fire Chief. The City Manager's/Fire Chief's determination regarding certification for acting/temporary assignments shall not be grievable and is considered to be determinative. "Certification" shall only mean that the City Manager/Fire Chief has used discretion and determined solely in his/her professional opinion that the individual is capable of performing the acting or temporary assignment. "Certification" shall not refer to any particular examination or evaluation process, and no such process shall be required for use by the City Manager/Fire Chief in rendering his/her determination.
- B. Acting assignments shall be filled in the following manner (to the extent that this Article is inconsistent with the City Personnel Rules, this Article shall prevail);
- C. Need for Acting/Temporary Assignments: To assure the orderly performance and continuance of municipal services, the City may be required to temporarily upgrade employees on an acting /temporary assignment basis to positions of a higher classification. For the purposes of this Article, it is understood that acting/temporary assignments may be required in order to temporarily fill position classification vacancies, which may exist for any of the following reasons:
1. A position classification is vacant and is scheduled to be filled by a regular full-time employee and a limited period of time is required in order to proceed with and complete the normal appointment procedure.
  2. A position classification is vacant, although filled, because the regular employee is on an approved paid or unpaid leave of absence.

- D. It is not the intent of the City to circumvent or avoid the normal employment or promotion process and therefore, the City shall make every reasonable effort, as determined by the City, to fill vacancies in a most expeditious manner and to keep the need for such acting/temporary assignments to a minimum.
- E. Selection for Acting/Temporary Assignments. The selection of an employee for acting/temporary assignments shall be at the sole discretion of either the City Manager or the Fire Chief or their designee. Selection shall be pursuant to the guidelines in A1 above.
- F. No person shall be appointed to an acting/temporary assignment when on probation. Acting/temporary assignments shall be filled depending on the needs of the Fire Department as determined by the sole discretion of the City Manager or Fire Chief.
- G. Status of Employee in Acting/Temporary Assignment. Time served in an acting/temporary assignment shall not be credited towards completion of any probationary test period in the acting/temporary assignment position. Time served in an acting/temporary assignment position shall not alter the employee's anniversary date. If the employee in an acting/temporary assignment would have been eligible for a merit increase had the acting/temporary assignment appointment not been made, then the employee shall remain eligible for such merit increase with the employee's performance in both the regular and acting/temporary assignment positions being considered.
- H. Duration of Acting/Temporary Assignment. The duration of any acting/temporary assignment shall be in accordance with Rule IX of the Personnel System Rules and Regulations.
- I. Individuals in the classification of Fire Marshal may be temporarily assigned the duties of Fire Battalion Chief and a Fire Battalion Chief may be temporarily assigned the duties of Fire Marshal if they have been certified pursuant to the provisions of this Article.

## **ARTICLE 25 - PHYSICAL EXAMINATIONS**

The City agrees to provide employees a complete physical examination, including stress EKG on the following basis:

- A. Employees shall be administered a complete physical examination, including stress EKG, or be administered portions of the examination as they may be required, as follows:
  - 1. Employees under forty years of age shall be administered a complete physical examination without the stress EKG every two years. The stress EKG will be administered every four years only.
  - 2. Employees forty years of age or over shall be administered a complete physical examination including stress EKG every two years.
  - 3. A City physical examination will be required each year following a City medical examination that reveals a medical problem or potential problem until that condition is improved or corrected by medical treatment and clearance.



- B. Employees shall be given all examinations while on duty status, or if given this examination while off-duty, shall be compensated at straight time (if employee reschedules examination to off duty time, no compensation will be paid).
- C. The City agrees such medical examination shall review those factors and standards reasonably required to be met by an employee to substantially comply with his job requirements.
- D. The cost of the examination shall be borne by the City.
- E. The medical provider shall notify the City whether or not the employee is “medically qualified” to perform the essential functions of the position.

## **ARTICLE 26 - DEFERRED COMPENSATION PLAN**

A deferred compensation plan will be available to all members of the Professional Chief Officers' Association employee group. Participation in this deferred compensation plan is at the option of the individual employee.

### A. One-Time Deferred Compensation Special 457 Catch-up Provision:

(One-Time is defined by law as an election to “catch-up” underutilized deferrals to a 457 plan, once in a singular year or multiple years, not to exceed 3 years) Federal Law allows 457 participants a one-time catch-up provision to make deferrals to “catch-up” underutilized deferrals from prior years during any or all of the three calendar years ending before the tax year they reach the plans normal retirement age. Normal retirement age for “classic” safety members of PERS is fifty-five (55) years old and fifty-seven (57) years old for “new” members of PERS. All 457 plans of an employer must have the same normal retirement age (NRA). For purposes of the deferred compensation special 457 catch-up provision for the City of Monterey Park, the normal retirement age range shall be considered 51 thru 62 years old.

The intent of this section is to facilitate association members in the final three (3) years prior to their stated retirement date in converting the hourly rate of accrued compensable leave to monies into their contribution to one of the City’s deferred compensation providers in accordance with IRS regulations/Federal Law. After an employee defers compensable accrued leave, balances of 120 hours must remain or be maintained in both their sick and vacation accrual banks. If an employee defers compensable leave from a bank that has a formula of payout at retirement (i.e. 50% sick leave at retirement) the deferral does not recalculate the remaining balance. All sick leave hours, per MOU provisions, will be on a fifty percent basis (i.e. a conversion of 100 hours will result in the salary equivalent to 50 hours being deposited into the employees deferred compensation account). In the final three (3) years prior to an employee’s stated retirement date he/she may convert the hourly rate of accrued compensable leave to monies into be included in their contribution to one of the City’s deferred compensation providers in accordance with IRS regulations and the schedule outlined below:

#### 3-year Catch-up Plan

1<sup>st</sup> year: no more than 20% of compensable accrual time of Sick Leave, Vacation Leave and Holiday Leave as allowed by Federal Law.

2<sup>nd</sup> Year: If a second year is chosen, no more than 35% of compensable leave may be

deferred.

3<sup>rd</sup> Year: If a third year is chosen, no more than 50% of compensable leave may be deferred.

The City is not a party to and accepts no responsibility for the employees obligations under federal law to comply with the IRS and legal requirements of such deferrals allowing 457 participants a one-time catch-up provision to make deferrals to "catch-up" underutilized deferrals from prior years during any or all of the three calendar years ending before the tax year they reach the plans normal retirement age.

#### **ARTICLE 27 - SPECIAL MANAGEMENT COMPENSATION PAY**

- A. All Represented Members required to work a full suppression shift (24 consecutive hours) in excess of regularly scheduled work shifts shall receive compensation at his regular rate of pay (straight time). These unit members are FLSA exempt. These payments are not payment for overtime, but instead are in recognition of the exceptional hours worked in these capacities.
- B. Compensatory Time - All compensatory time on the books as of present will be paid down to forty- eight (48) hours as of December 1 of each year. The remaining balance will remain on the books until such time as the employee utilizes the compensatory time.

In lieu of receiving cash payment at the regular rate of pay for hours worked in excess of regularly scheduled shifts. An employee may elect the option of taking compensatory time off. Compensatory time shall be earned at straight time for each hour worked.

#### **ARTICLE 28 - WRITTEN NOTICES TO RECOGNIZED EMPLOYEE ORGANIZATION**

Reasonable written notice will be given to the Recognized Employee Organization of any rule, ordinance, resolution or regulation directly relating to matters within the scope of representation proposed to be adopted by the City Council. In cases where the City determines that as a result of an emergency an ordinance, rule, resolution or regulation must be adopted immediately without prior notice or meetings with a Recognized Employee Organization, the City shall provide such notice and opportunity to meet at the earliest practical time following the adoption of such ordinance, rule, resolution or regulation.

The Recognized Employee Organization shall be deemed to have met and conferred and agreed to any matter within fifteen calendar days after hand delivery of the notice by the City to the on-duty Battalion Chief regarding said matter and the employee organization fails to deliver to the City Manager a written request for a meeting.

#### **ARTICLE 29 - GENERAL PROVISIONS**

- A. If any section, subsection, subdivision, sentence, clause or phrase of the Agreement is for any reason held to be illegal or unconstitutional, such decision shall not affect the validity of the remaining portions of this Agreement.
- B. This Memorandum shall not in any way interfere with the obligation of the parties hereto to comply with State and Federal laws, or with any rule, regulation, or order issued by such government authority pertaining to matters covered herein. If any provision, or provisions, of this Memorandum shall be affected by State or Federal laws, or of any rule, regulation, or order issued

by such governmental authority, or if any provision, or provisions, should be held invalid by a court of record, the remainder of the Memorandum shall not be otherwise affected thereby.

- C. The parties acknowledge that during the meeting and conferring in good faith which resulted in this Memorandum, each had the unlimited right and opportunity to make demands and proposals with respect to any and all subjects or matters not removed by law from the area of meeting and conferring, and that the understanding and agreement arrived at by the parties after the exercise of that right and opportunity is set forth in the Memorandum. Therefore, the City and the Recognized Employee Organization, for the life of this Memorandum, each voluntarily unqualifiedly waives the right and each agrees that the other party shall not be obligated to meet and confer with respect to any subject or matter referred to or covered in this Memorandum even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they met and conferred or signed this Memorandum.
- D. It is agreed that neither the Association nor the City shall discriminate against any employee because of race, religion, national origin, age, gender, disability, sexual orientation, marital status, or political/union membership or activity.

### **ARTICLE 30 – REOPENER**

During the course of the meet and confer process regarding adoption of a successor Memorandum of Understanding (MOU), the parties commenced meeting as regards the below listed items. These items could not be fully addressed during the time frame agreed upon by the parties for presentation of the MOU to the City Council for its determination and adoption. Therefore, the parties agree to reopen the meet and confer process following any future adoption of this MOU only as regards:

For bargaining unit members hired on and after July 1, 2015, the parties agree to establish an alternative, employee-funded retiree medical insurance funding mechanism, pursuant to IRS Code 501 (c)(9), also known as a Trust 115, or other similar program, to provide for post-employment medical coverage for eligible employees. Both parties agree to a re-opener and to meet and confer to discuss the formation of such alternative, employee-funded retiree medical insurance funding plan. This re-opener will occur after January 1, 2015.

### **ARTICLE 31 - TERM OF MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding shall be in effect for an initial term commencing July 1, 2014 and ending June 30, 2016, and shall continue in effect from year-to-year thereafter unless or until terminated.

### **ARTICLE 32 - MODIFIED DUTY ELIGIBILITY**

Subject to the one exception described below, modified duty shall be made available, on a temporary basis, only to those individuals suffering an industrial injury. The only exception to this rule shall be that non-industrial disabilities related to pregnancy, shall result in the subject employee being eligible for modified duty.

### **ARTICLE 33 - INDUSTRIAL DISABILITY RETIREMENT**

Subject to the requirements of Article 35 below, the City may make application for an employee's industrial retirement and said retirement shall be effective without the member's consent not earlier than

the date upon which leave of absence without loss of salary under Section 4850 of the Labor Code because of the disability terminates, or the earlier date during the leave as of which the disability is permanent and stationary as found by the Workers' Compensation Appeals Board (Government Code Section 21164).

#### **ARTICLE 34 - SICK LEAVE USE IN CONJUNCTION WITH IOD**

Government Code Section 21163 provides in pertinent part that the retirement of a PERS member who has been granted or is entitled to leave, shall not become effective until the expiration of sick leave with compensation, unless the member applies for or consents to his or her retirement as of an earlier date, *or unless, with respect to sick leave, the provisions of a local ordinance or resolution or the rules or regulations of the employer provide to the contrary.* In this regard, it is acknowledged that as regard service and non-industrial disability retirements, it is the rule and regulation of the City that no employee shall be entitled to use or receive cash distribution of sick leave on or after the effective date of said retirements and that any such retirement shall be made effective regardless of the employee having sick leave remaining in the employee's account. Additionally, it is acknowledged that as regards individuals suffering from an industrial disability and/or being granted an industrial disability retirement that the following sick leave rules and regulations shall apply:

- A. In any instance where the local safety member has exhausted eligibility for benefits pursuant to Labor Code Section 4850, but is not eligible for disability retirement at said time yet remains incapacitated from performance of the essential duties of the employee's position, then the employee shall have the option of electing to receive 50 percent of the sick leave balance existing at the time of exhaustion of the Labor Code Section 4850 benefits, which said amounts to be distributed during each payroll period until said 50 percent amount has been exhausted. In no case shall any such distribution during one pay period exceed the gross salary to which the employee would otherwise be entitled during said pay period.
- B. However, if said employee is eligible for an industrial disability retirement prior to exhaustion of benefits under Labor Code Section 4850 or simultaneous with the same, and still has sick leave remaining on account, then the retirement shall still become effective and the safety employee shall be provided a one-time cash distribution equivalent to 50 percent of the employee's sick leave balance as it existed on the effective date of the industrial disability retirement. Further, said employee shall then be paid the cash value of accumulated vacation, holiday, and compensatory time.

#### **ARTICLE 35 - FMLA/CFRA COMPLIANCE AND LEAVE POLICY**

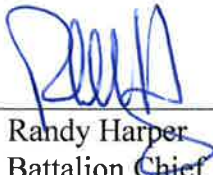
The City's Administrative Policies shall reflect FMLA and CFRA leave requirements.


#### **ARTICLE 36 - CITY COUNCIL APPROVAL**

It is, however, the mutual understanding of all parties hereto that this Memorandum of Understanding is of no force or affect whatsoever unless or until ratified and approved by minute action duly adopted by the City Council of the City of Monterey Park.

IN WITNESS HEREOF, the parties hereto have caused this Memorandum of Understanding to be executed this 17<sup>th</sup> day of September, 2014.

MONTEREY PARK PROFESSIONAL  
CHIEF OFFICERS' ASSOCIATION

By:   
Randy Harper  
Battalion Chief

By:   
Mark Khail  
Battalion Chief

By:   
Ken Leasure  
Battalion Chief

CITY OF MONTEREY PARK

By:   
Paul Talbot  
City Manager

By:   
Thomas J. Cody, Director  
Human Resources & Risk Management

## **ADDENDUM A**

### **PROFESSIONAL CHIEF OFFICERS' ASSOCIATION 2014-2016 SALARY TABLE**

	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
Battalion Chief	4	\$9,433	\$9,669	\$9,911	\$10,159	\$10,413	\$10,673	\$10,940	\$11,213	\$11,493	\$12,068



## **ADDENDUM B**

### **Memorandum**

DATE: June 4, 2014

TO: Tom Cody, Director of Human Resources and Risk Management

FROM: Michael A. Huntley, Director of Community and Economic Development

RE: Major Project Schedule and Potential Building Permit Revenue

The following information is intended to provide the best estimation of projected Building Permit revenue for the five most significant projects currently being processed by the City. These five projects were selected since they will not only generate Building Permit revenue, but also potential property tax, sales tax and transient occupancy tax revenue to the city. It should be noted that some of the projects may generate one or more of the taxes mentioned above. Attached to this memorandum is a Project Schedule that identifies the projected timing of each project based on the most recently information provided by the applicants.

#### **AG HOTEL**

Hotel-Type 1-A/1-B@ \$200 per Sq. Ft. x 91,257 Sq. Ft. = \$18,251,400.00  
Restaurant-Type 1-A/1-B@ \$200 per Sq. Ft. x 12,658 Sq. Ft. = \$2,531,600.00  
Apartments-Type 111-BN-B Masonry@ \$130 per Sq. Ft. x 86,982 Sq. Ft. = \$11,307,660.00  
Retail-Type 1-A/1-B@ \$180 per Sq. Ft. x 1,488 Sq. Ft. = \$267,840.00  
Parking -Type 1-A/1-B @ \$75 per Sq. Ft. x 100,000 Sq. Ft. = \$7,500,000.00  
Residential Air Condition Equipment Valuation@ \$3.50 per Sq. Ft. x 178,239 Sq. Ft. = \$623,836.50  
Commercial Air Condition Equipment Valuation @ \$4.50 per Sq. Ft. x 14,146 Sq. Ft. = \$63,657.00  
Fire Sprinkler Equipment Valuation @ \$3.00 per Sq. Ft. x 292,385 Sq. Ft. = \$876,155.00  
**Total Building Valuation: \$41,423,148.50**

#### **Building Permit Fee: \$456,297.00 (Based on the Building Valuation above)**

Strong Motion Tax: \$8,698.86  
State Green Fee: \$1,657.00  
Records Management Fees: \$41,423.15  
General Plan Revision: \$82,846.30  
Safety Impact: \$446,333.20  
Park Fee: \$192,385.00  
**Total: \$1,229,640.51**

#### **MARRIOTT HOTEL**

Hotel-Type 1-A/1-B@ \$200 per Sq. Ft. x 180,000 Sq. Ft. = \$36,000,000.00  
Restaurant-Type 1-A/1-B@ \$200 per Sq. Ft. x 12,000 Sq. Ft. = \$2,400,000.00  
Retail-Type 1-A/1-B@ \$180 per Sq. Ft. x 6,400 Sq. Ft.: \$1,152,000.00  
Parking-Type 1-A/1-B@ \$75 per Sq. Ft. x 100,000 Sq. Ft. = \$7,500,000.00  
Residential Air Condition Equipment Valuation@ \$3.50 per Sq. Ft. x 180,000 Sq. Ft. = \$630,000.00  
Commercial Air Condition Equipment Valuation @ \$4.50 per Sq. Ft. x 18,400 Sq. Ft. = \$82,800.00  
Fire Sprinkler Equipment Valuation @ \$3.00 per Sq. Ft. x 298,400 Sq. Ft. = \$895,200.00

**Total Building Valuation: \$48,660,000.00**

## **ADDENDUM B**

**Building Permit Fee: \$583,733.00 (Based on Building Valuation above)**

Strong Motion Tax: \$10,218.60

State Green Fee: \$1,947.00

Records Management Fees: \$48,660.00

General Plan Revision: \$97,320.00

Safety Impact: \$460,288.00

Park Fee: \$198,400.00

**Total: \$1,400,566.60**

### **DOUBLE TREE HOTEL**

Hotel- Type 1-A/1-8 @ \$200 per Sq. Ft. x 98,000 Sq. Ft. = \$19,600,000.00

Restaurant- Type 1-A/1-8 @ \$200 per Sq. Ft. x 3,500 Sq. Ft. = \$700,000.00

Retail -Type 1-A/1-8 @ \$180 per Sq. Ft. x 1,500 Sq. Ft. = \$270,000.00

Parking -Type 1-A/1-8 @ \$75 per Sq. Ft. x 100,000 Sq. Ft. = \$7,500,000.00

Residential Air Condition Equipment Valuation@ \$3.50 per Sq. Ft. x 98,000 Sq. Ft. = \$343,000.00

Commercial Air Condition Equipment Valuation@ \$4.50 per Sq. Ft. x 5,000 Sq. Ft. = \$22,500.00

Fire Sprinkler Equipment Valuation@ \$3.00 per Sq. Ft. x 203,000 Sq. Ft. = \$609,000.00

**Total Building Valuation: \$29,044,500.00**

**Building Permit: \$352,608.00 (Based on Building Valuation above)**

Strong Motion Tax: \$6,099.35

State Green Fee: \$1,162.00

Records Management Fees: \$29,044.50

General Plan Revision: \$58,089.00

Safety Impact: \$238,960.00

Park Fee: \$103,000.00

**Total: \$1,027,922.85**

### **Market Place - HOME DEPOT (based on a previous estimate from 2012)**

Retail- Type 1-A/1-8@ \$180 per Sq. Ft. x 107,571 Sq. Ft. = \$19,362,780.00

Commercial Air Condition Equipment Valuation@ \$4.50 per Sq. Ft. x 107,571 Sq. Ft. = \$484,069.50

Fire Sprinkler Equipment Valuation@ \$3.00 per Sq. Ft. x 135,682 Sq. Ft. = \$407,046.00

Garden Center-Type V@ \$130 per Sq. Ft. x 28,111 Sq. Ft. = \$3,654,430.00

**Total Building Valuation: \$21,756,905.50**

**Building Permit Fee: \$320,889.00 (Based on Building Valuation above)**

Strong Motion Tax: \$5,698.45

State Green Fee: \$1,086.00

Records Management Fees: \$27,135.46

General Plan Revision: \$54,270.91

Safety Impact: \$314,712.64

Park Fee: \$135,652.00

**Total: \$859,426.46**

**Note:** The Market Place is an entitled 500,000 square foot regionally commercial shopping center including three development phases and numerous commercial, retail, service and restaurant uses. The Home Depot was selected because it is the major anchor for the new commercial shopping center; is committed to locate at the center; and is the farthest along with conceptual construction plans.



## **ADDENDUM B**

### **TOWNE CENTER (based on previously built fees from original time of application)**

#### ***Residential Component:***

Apartments- Type 1-A/1-8 @ \$150 per Sq. Ft. x 142,050 Sq. Ft. = \$21,307,500.00  
Residential Air Condition Equipment Valuation @ \$3.50 per Sq. Ft. x 142,050 Sq. Ft. = \$497,175.00  
Fire Sprinkler Equipment Valuation @ \$3.00 per Sq. Ft. x 142,050 Sq. Ft. = \$426,150.00  
Swimming Pools- Residential Pool @ \$70 per Sq. Ft. x 450 Sq. Ft. = \$31,500.00  
**Total Building Valuation: \$22,262,325.00**

#### **Building Permit Fee: \$268,406.00**

Strong Motion Tax: \$2,226.23  
State Green Fee: \$891.00  
Records Management Fees: \$22,262.33  
General Plan Revision: \$44,524.65  
Safety Impact: \$329,556.00  
Park Fee: \$76,300.00  
**Total: \$744,166.21**

#### ***Commercial Component:***

Retail-Type I or II F.R. @ \$140 per Sq. Ft. x 78,583 Sq. Ft. = \$11,001,620.00  
Parking- Type I or II F.R. @ \$50 per Sq. Ft. x 249,772 Sq. Ft. = \$12,488,600.00  
Commercial Air Condition Equipment Valuation @ \$4.50 per Sq. Ft. x 78,583 Sq. Ft. = \$353,623.50  
Fire Sprinkler Equipment Valuation @ \$3.00 per Sq. Ft. x 328,355 Sq. Ft. = \$985,065.00  
**Total Building Valuation: \$24,828,908.50**

#### **Building Permit Fee: \$134,585.00**

Strong Motion Tax: \$5,214.07  
State Green Fee: N/A  
Records Management Fees: \$24,828.91  
General Plan Revision: \$49,657.82  
Safety Impact: \$173,668.43  
Park Fee: \$78,583.00  
**Total: \$466,537.23**

**Note:** All of the above fee estimates are only for Building Permit and mandated impact fees. Electrical, Mechanical and Plumbing Permit and Plan Check fees are not included since they are based on a fixture count. All other City plan check/permit fees (e.g., Water Division, Public Works Department, Fire Department etc.), impact fees and outside agency fees are also not included in this estimate because they assess their fees individually as separate departments/agencies based on their review.

## **Project Time Line and Revenue Generation**

**Summary:** The following information is intended to provide the best estimation of when the following five projects will obtain Building Permits and the estimated revenue the projects will generate at the time the permit is issued. These five projects were selected since they will not only generate Building Permit fees, but increase property tax, sales tax, transient occupancy tax revenue to the city. It should be noted that some of the projects may generate one or more of the taxes mentioned above.

### **AG Hotel- 808 Garvey Avenue**

Entitlement Approval- May 2014 **(Approved)**

Construction Drawing Plan Check Submittal: January 2015 (8 months from Entitlement Approval)

Plan Check Processing -July 2015 (6 months for processing)

Building Permit Issuance- July 2015

### **Double Tree Hotel – 220 N. Atlantic Boulevard**

Entitlement Approval- September 2014 **(Pending)**

Construction Drawing Plan Check Submittal: May 2015 (8 months from Entitlement Approval)

Plan Check Processing- November 2015 (6 months for processing)

Building Permit Issuance- November 2015

### **Marriott Hotel- 521 N. Atlantic Boulevard**

Entitlement Approval- October 2014 **(Pending)**

Construction Drawing Plan Check Submittal: June 2015 (8 months from Entitlement Approval)

Plan Check Processing- December 2015 (6 months for processing)

Building Permit Issuance- December 2015

### **Monterey Market Place (Home Depot)**

Entitlement Approval – 2013 **(Approved)**

Construction Drawing Plan Check Submittal: May 2015 (8 months from closing escrow on the property)

Plan Check Processing – November 2015 (6 months for processing)

Building Permit Issuance- November 2015

### **Monterey Park Towne Centre**

Entitlement Approval- 2013 **(Approved)**

Construction Drawing Plan Check Submittal: December 2014

Plan Check Processing -June 2015 (6 months for processing)

Building Permit Issuance- June 2015

[illegible]

**Side Letter #1 to the 2014 - 2016 Memorandum of Understanding Between the  
City Of Monterey Park and the Monterey Park Professional Chief Officers'  
Association (P.C.O.A.)**

This document shall serve as Side Letter No. 1 modifying the 2014 - 2016 Memorandum of Understanding between the City of Monterey Park ("City") and the Monterey Park Professional Chief Officers' Association, (P.C.O.A.), and shall implement the following agreement between the parties:

Effective upon implementation of this Side Letter Agreement No. 1, Article 9 – Sick Leave, Section A, 2, shall be modified as follows:

**Article 9 – Sick Leave**

Section A, 2 shall be modified to apply the same formula to sick leave Bank 2 as it's been applied to sick leave Bank 1:

2. Commencing on July 1, 2012, sick leave earned by bargaining unit members shall be deposited into a second sick leave account which shall be capped at a maximum of 800 hours. Upon having 800 hours in the second sick leave account there shall be no further accrual of sick leave unless or until use results in a balance of less than 800 hours. Effective one month after the city council approves the 2014-2016 MOU, employees, who retire from the city with more than 10 total years of city service, beginning from the date of employment, shall be eligible to cash out sick leave in the "second" sick leave account at the rate of 14 hours for each one full year (12 months) of city service. City service, for the purpose of determining hours eligible for cash out, shall be calculated beginning July 1, 2012.

Prior to implementation of the 2014 - 2016 MOU, each employee's sick leave account would be debited by sixteen (16) hours and the employee would be compensated in full for the 24 hour shift from which the employee was absent.

Concurrent with implementation of this 2014-2016 MOU, the above calculation shall be modified to provide for each employee earning twelve (12) hours of sick leave per month and having the employee's sick leave account debited one hour for each hour of a shift from which the employee is absent. Thus, absence from an entire shift shall result in the employee's sick leave account being debited 24 hours.

In order to compensate for the pre-2014-2016 MOU sick leave Bank 1 and Bank 2 being debited on and after 2014-2016 in the amount of one (1) hour for each hour of sick leave used, and the concurrent 2014-2016 MOU decreasing and disability retirement cash distribution from 50% pre-2014-2016 to 33.34% on and after 2014-2016, the following calculation shall be performed as to the sick leave Bank 1 and Bank 2, upon a service or disability.

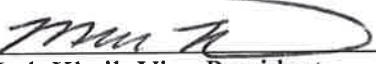
- a. The sick leave balance in Bank 1 and 2 at the time of implementing the 2014-2016 MOU shall be divided by 16 to determine the number of fully compensable shifts represented by the sick leave balance. (For example, 500 sick leave hours in Bank 1 divided by 16 – the number of pre-2014-hours necessary to fund a full shift – equals 31.25 funded full shifts.)
- b. Since effective 2014-2016, it will require 24 hours of sick leave to fund a full shift; the exemplar of 31.25 previously funded shifts shall be multiplied by 24 hours. The number of hours needed on and after 2014-2016 to fully fund 31.25 shifts.(Following the above example in Section A, this shall results in sick leave Bank 1 balance having a balance of 750 hours. The same formula shall apply for Bank 2.)

All other terms and conditions contained in the 2014-2016 Memorandum of Understanding executed by and between the City and the Professional Chief Officers' Association not specifically amended by this Side Letter Agreement #1 shall remain unchanged and in full force and effect unless otherwise modified by express written agreement between the parties.

In Witness Whereof the parties have executed this Agreement this 23<sup>rd</sup> day of February, 2015.

By:   
Randy Harper, President  
Professional Chief Officers' Assoc.

By:   
Paul Talbot  
City Manager

By:   
Mark Khail, Vice-President  
Professional Chief Officers' Assoc.

By:   
Tom Cody, Director  
Human Resources & Risk Mgmt

By:   
Ken Leasure, Secretary  
Professional Chief Officers' Assoc.

**Side Letter No. 2 to the 2014 – 2016 Memorandum of Understanding  
Between the City of Monterey Park and the Monterey Park  
Professional Chief Officers' Association**


This document shall serve as Side Letter No. 2 modifying the 2014-2016 Memorandum of Understanding between the City of Monterey Park ("City") and the Monterey Park Professional Chief Officers' Association ("PCOA") as follows:

**ARTICLE 22 – SALARIES AND WAGES**

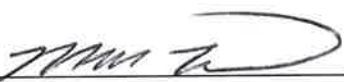
Longevity: Effective the pay period following execution of this side letter and upon the completion of 25 years of continuous service with the City of Monterey Park an employee shall be compensated a \$200 a month longevity payment. This payment will be based on a fiscal year and payable on the first payroll cycle after the affected employee's anniversary date. This payment will continue until there is a break of service or a separation of service between the city and the employee.


All other terms and conditions contained in the Memorandum of Understanding executed on September 17, 2014 by and between the City and PCOA not specifically amended by this Side Letter Agreement No. 2 shall remain unchanged and in full force and effect unless otherwise modified by express written agreement between the parties.


IN WITNESS THEREOF the parties have caused the duly authorized representatives to execute this Agreement this 13<sup>th</sup> day of February, 2015.

By:   
Randy Harper, President  
Professional Chief Officers' Assoc.

By:   
Paul Talbot  
City Manager

By:   
Mark Khail, Vice-President  
Professional Chief Officers' Assoc.

By:   
Thomas J. Cody, Director  
Human Resources/Risk Mgmt.

By:   
Ken Leasure, Secretary  
Professional Chief Officers' Assoc.

LETTER OF AGREEMENT  
BETWEEN THE CITY OF MONTEREY PARK AND THE  
MONTEREY PARK PROFESSIONAL CHIEF OFFICERS' ASSOCIATION

The City of Monterey Park (City) and the Monterey Park Professional Chief Officers' Association (PCOA) agree that health insurance is of importance to the City, the PCOA, City employees and retirees. Even though the current MOU between the parties expires in June 2016 and the parties plan to negotiate a successor agreement, the parties believe that a timely resolution of the health insurance issue is critical. As a result, the parties have met regarding health insurance and agreed upon a structure that will provide comprehensive and cost effective health insurance for PCOA unit members and retirees. The Agreement is set forth below and supersedes any provision in Article 17 of the MOU in conflict with this Agreement.

1. Article 17 (Health Insurance) – amend as follows:

A. Medical Insurance (for Active Employees)

1. The City will contribute up to \$1100/month toward an eligible employee's insurance premium (employee only, employee plus spouse, or employee and dependents). Effective July 1, 2015, the City's maximum contribution will be increased to \$1150/month. Except as set forth above, employees will pay the amount of the total insurance premium that exceeds the City's contribution via the City's Cafeteria Plan (IRC Section 125 Plan). This provision will expire on December 31, 2015

2. Effective January 1, 2016, employees will receive insurance coverage through CalPERS under the California Public Employees' Medical and Hospital Care Act (PEMHCA). The City's contribution toward medical insurance under PEMHCA will be the minimum employer contribution (MEC) required by PEMHCA (in 2016 the MEC is \$125/mo.).

B. Retiree Medical Insurance

1. Retiree Medical Benefits In Effect Until December 31, 2015

Employees who are hired by the City on or before December 31, 2015 and retire from City service will receive a City contribution toward the purchase of medical insurance (single party and dependent coverage). Retirees are required to coordinate with Medicare, including the purchase of a Medicare supplement.

a. If the employee retired from City employment with less than 20 years of City service, he/she will receive up to \$485/month toward the purchase of medical insurance (single party and dependent coverage)

b. If the employee retired from City employment with 20 or more years of City service, he/she will receive up to \$650/month toward the purchase of medical insurance (single party and dependent coverage).

2. Retiree Medical Benefits Beginning January 1, 2016

a. Employees who are hired into City service on or after January 1, 2016 will not be eligible for the City contribution set forth in section B.1 above. Instead, these individuals will be eligible for medical insurance provided by PEMHCA and receive a City contribution equal to the MEC provided under PEMHCA (See section A.2 above).

b. Those individuals who were hired on or before December 31, 2015 will be eligible for medical insurance provided by PEMHCA and receive a City contribution equal to the MEC under PEMHCA. The City shall also make a monthly contribution to a retiree Health Reimbursement Account (HRA) for the difference between the MEC and the contribution amount set forth in Section B.1 above.

C. Dental Insurance

Retroactive to the first pay cycle following July 1, 2014 and following City Council approval of the new 2014-2016 MOU the City will contribute up to sixty-five (\$65.00) per month of the premium for each eligible employee and all eligible dependents. This will increase to seventy-five (\$75) per month effective 7/1/15. The employee will pay any and all premiums due in excess of the City contribution under the City's Cafeteria Plan (Section 125).

D. Vision Insurance

The City shall offer a vision insurance plan. Retroactive to the first pay cycle following July 1, 2014 and following City Council approval of the new 2014-2016 MOU the city agrees to pay \$20 for the employee and qualified dependents. The employee will pay any and all premiums due in excess of the City contribution under the City's Cafeteria Plan. The plan design shall be: Examination every 12 months; Frames and Lenses every 24 months. Deductible shall be \$10.00/exam; \$20.00/frame and lenses



E. Cafeteria Plan

1. The City agrees to maintain a premium conversion plan for all active unit members to provide for the pre-tax deduction of the employee's share of premiums toward medical coverage, and when applicable, the employee's share of premiums toward the dental plan as well as any premium payment for P.E.R.S. Long Term Care which the employee may elect to participate in and pay through payroll deduction.
2. Effective January 1, 2016, the City shall amend its Cafeteria Plan to provide for the following: The City's monthly contribution for health insurance coverage for active employees shall be up to \$1150 per month for employees electing to participate in PEMHCA. The City's contribution will include the PEMHCA MEC, as set forth in Section A.2 above (\$125 per month for 2016) and the remainder (in 2016, it would be up to \$1025 per month) shall be used to pay for the eligible employee's health insurance premium (employee only, employee plus one, or employee plus family). Eligible expenses include: (1) medical insurance premium, (2) dental insurance premium, (3) disability insurance premium, (4) vision insurance premium, and cash (as set forth below). Employees will be responsible for paying the amount of the total insurance premium that exceeds the City's contribution via the City's Cafeteria Plan (IRC Section 125 Plan).
3. For employees who elect to waive medical insurance from the City (opt out), the City will pay \$300/month in cash to the employee. In order to receive the opt-out incentive, the employee must certify that he/she has coverage through another insurance plan that is not an individual plan or coverage under an Exchange/marketplace.
4. Specific details of this cafeteria plan will be contained in a plan document available for review by employees at the City's Human Resources Department.

F. Life Insurance – The City shall provide each employee covered under this Agreement a term life insurance policy in the amount of \$100,000.

G. Supplemental Life Insurance may be purchased by each employee in \$10,000 increments with a maximum face value of \$300,000, or three times (3X) the individual's gross salary, whichever is less. Employees who currently have supplemental insurance, shall be required to add or delete such supplemental coverage so as to reflect \$10,000 increments. Any premium cost for supplemental insurance shall be borne by the employee.

H. The parties will (continue to) meet regarding the establishment of a Dependent Care Flexible Spending Arrangement (per IRC 129) that will enable employees, through salary reduction, to be reimbursed on a tax-advantaged basis for qualified dependent care expenses. Any plan adopted will be at no expense to the City.

I. The parties will (continue to) meet regarding the establishment of a Health Reimbursement Account (eg., an integral part governmental trust per IRC § 115) in which employees make tax-advantaged contributions toward their retirement health costs by such means as a mandatory reduction in salary, or leave cash-outs. Any HRA that is implemented for active employees will be at no expense to the City.

This Agreement is to be considered an addendum to the parties' 2014-16 MOU. As a result, contract provisions, such as the savings/severability clause and the grievance procedure are incorporated by reference into this Agreement. This Agreement will remain in effect until the parties reach a new collective bargaining agreement or complete the negotiations process for a successor agreement to the 2014-16 MOU, whichever occurs first. Notwithstanding the above, the City reserves the right to reopen the issue of health insurance in order to address the impact of the Patient Protection and Affordable Care Act (ACA), including but not limited to, consideration of the impact of the Excise Tax (commonly known as the Cadillac Tax) which is due to go into effect in 2018.

[see next page]


IN WITNESS THEREOF the parties have caused the duly authorized representatives to execute this Agreement this 26<sup>th</sup> day of May, 2015.

By:   
Mark Khail  
Battalion Chief

By:   
Thomas J. Cody, Director  
Human Resources & Risk Management.

By:   
Randy Harper  
Battalion Chief

By:   
Paul Talbot  
City Manager

By:   
Ken Leasure  
Battalion Chief